

**11-42-503 Local entity payments to avoid a default in local entity obligations --  
Reimbursement of payments when property sold at tax or foreclosure sale.**

- (1) To avoid a default in the payment of outstanding local entity obligations, a local entity may pay:
- (a) the delinquent amount due, plus interest, penalties, and costs;
  - (b) the amounts described in Subsection (1)(a) and the full balance of an assessment, if accelerated; or
  - (c) any part of an assessment or an installment of an assessment that becomes due during the redemption period.
- (2) A local entity may:
- (a) pay the amounts under Subsection (1) from a guaranty fund or a reserve fund, or from any money legally available to the local entity; and
  - (b) charge the amounts paid against the delinquent property.
- (3)
- (a) Upon the tax sale or foreclosure of the property charged as provided in Subsection (2):
    - (i) all amounts that the local entity paid shall be included in the sale price of the property recovered in the sale; and
    - (ii) the local entity's guaranty fund, reserve fund, or other source of money paid under Subsection (2)(a), as the case may be, shall be reimbursed for those amounts.
  - (b) If the property charged as provided in Subsection (2) is sold to the local entity at the tax sale or foreclosure and additional assessment installments become due, the local entity:
    - (i) may pay the additional installments from the guaranty fund or reserve fund, as the case may be, or from any legally available money;
    - (ii) shall recover, in a sale of the property, the amount of the installments paid; and
    - (iii) shall reimburse the guaranty fund or reserve fund when the property is sold.

Enacted by Chapter 329, 2007 General Session